
Norwegian employment law

Stavanger Chambers of Commerce

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Agenda

- 1 Introduction
- 2 Recruitment and employment
- 3 Forms of employment
- 4 The managerial prerogative
- 5 Compensation and benefits
- 6 Termination

Introduction

What characterize employment law?

- The balance between human relations and business motives
 - The employers' need for **flexibility** and development
 - The employees' need for **security** and predictability
- The regulation of **human relations** and behaviour



The legal basis of Norwegian employment law

National source of regulation of Norwegian labour law

- The Working Environment Act (WEA)
- The Holiday Act
- National Insurance Act
- Occupational Pension Act

Collective bargaining agreements

International source of regulation - EU-law

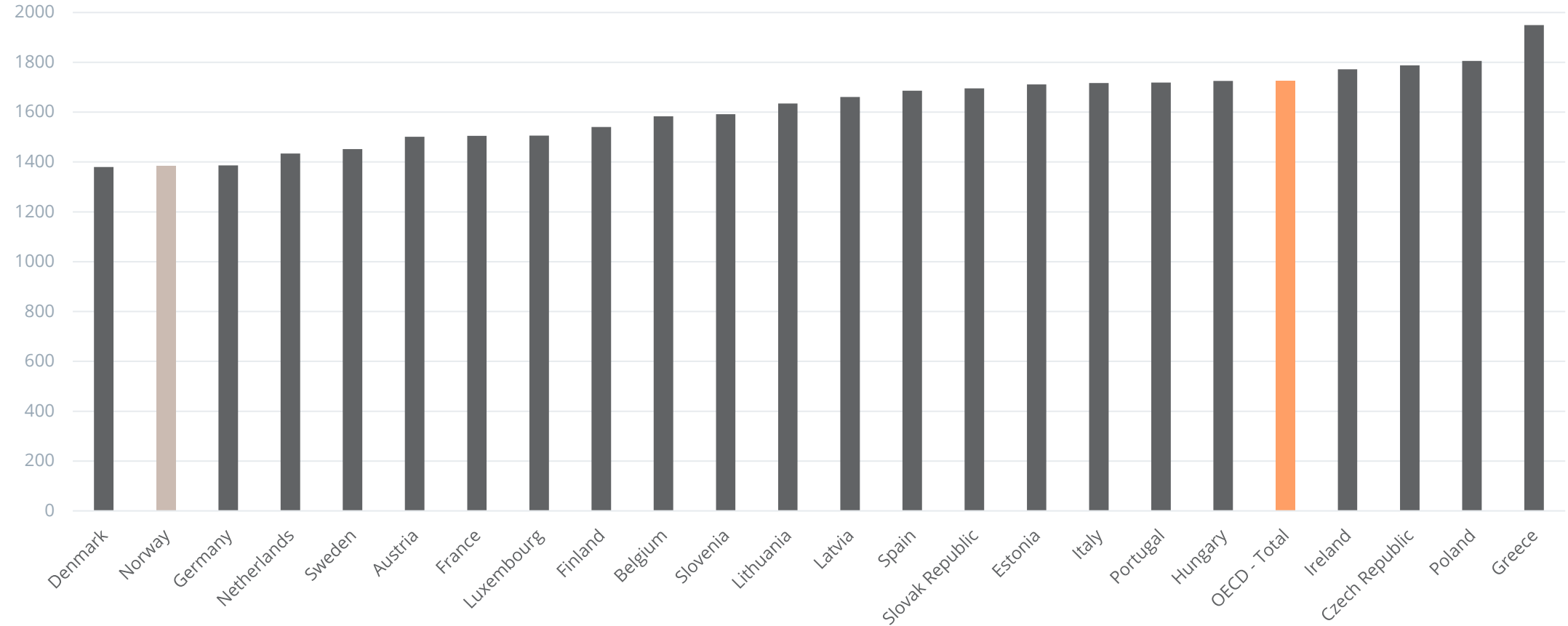
- Norwegian law influenced by EU-regulations
- The European Economic Area (EEA)
- EU-directives containing minimum requirements for employee's rights
- In some areas, Norway has implemented stricter regulations in favour of employees.



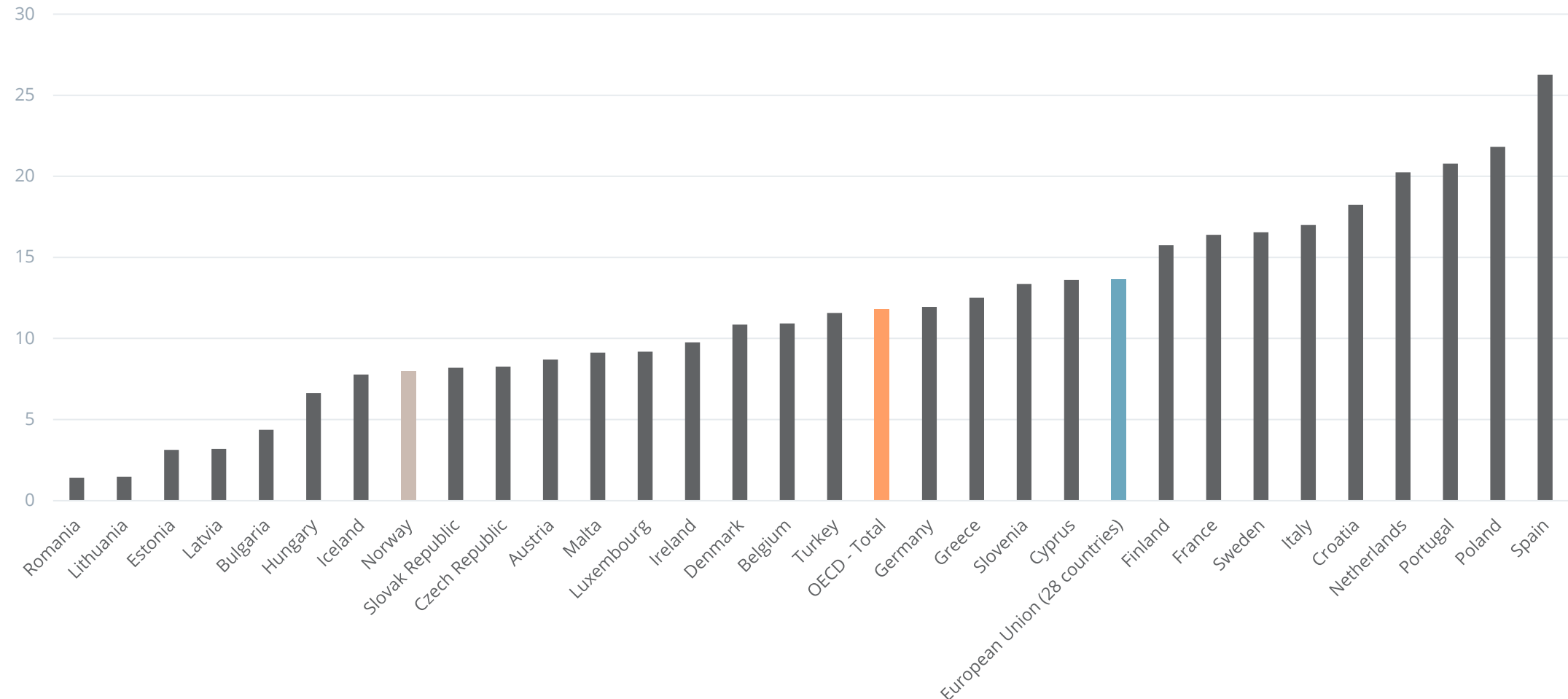
Norway compared to other countries in the EU/EEA/OECD

- See slides 7-10 for overview of employment protection and working hours.
- How's the typical Norwegian manager?
- How's the typical Norwegian employee?
- Other cultural aspects?

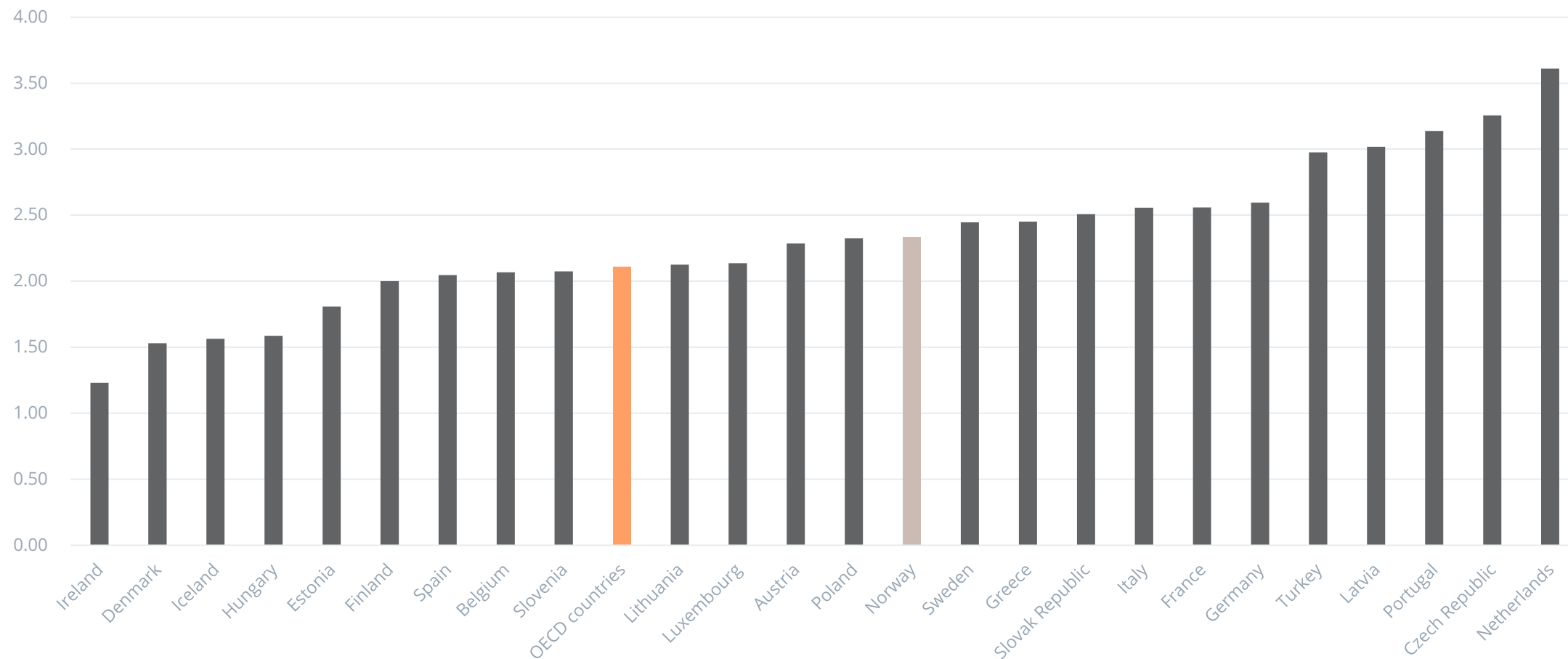
Working hours Norway/EU



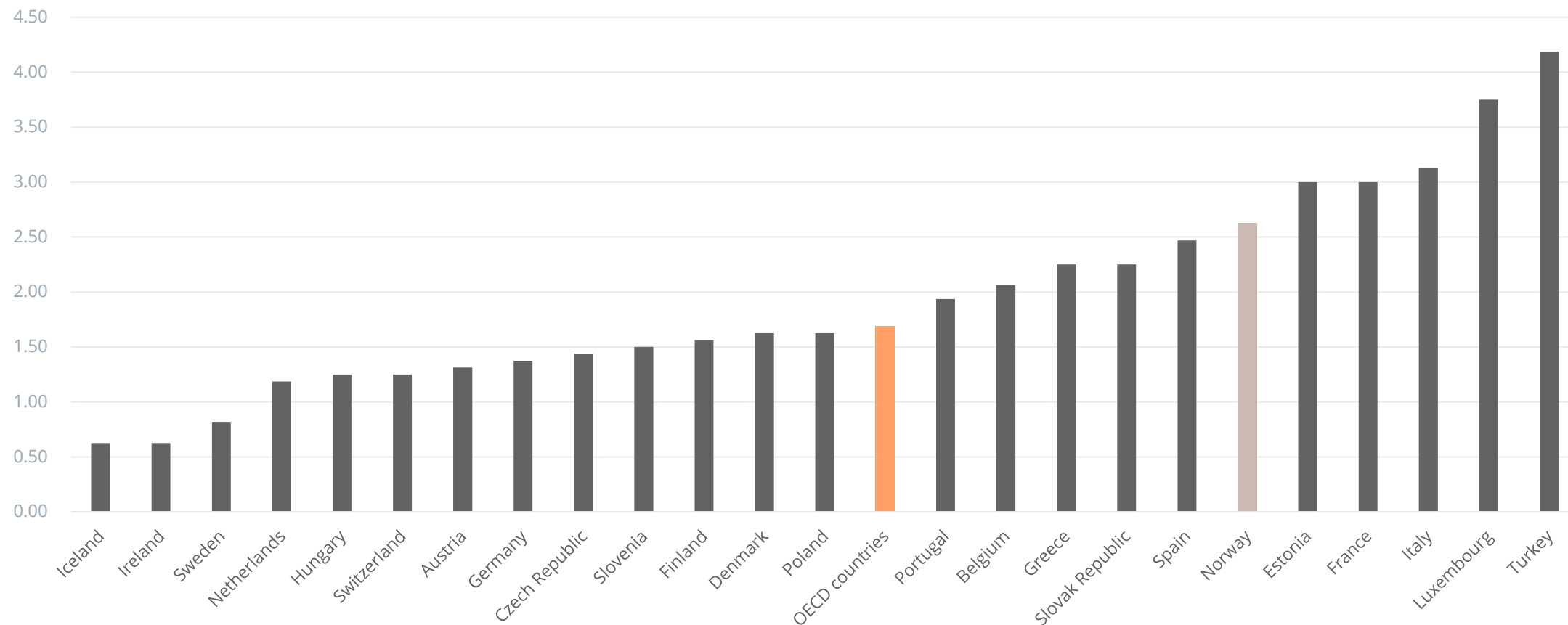
Temporary employment Norway/EU



Strictness of employment protection legislation | regular employment



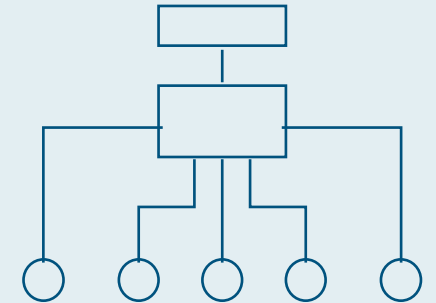
Strictness of employment protection legislation | temporary contracts



Recruitment and employment

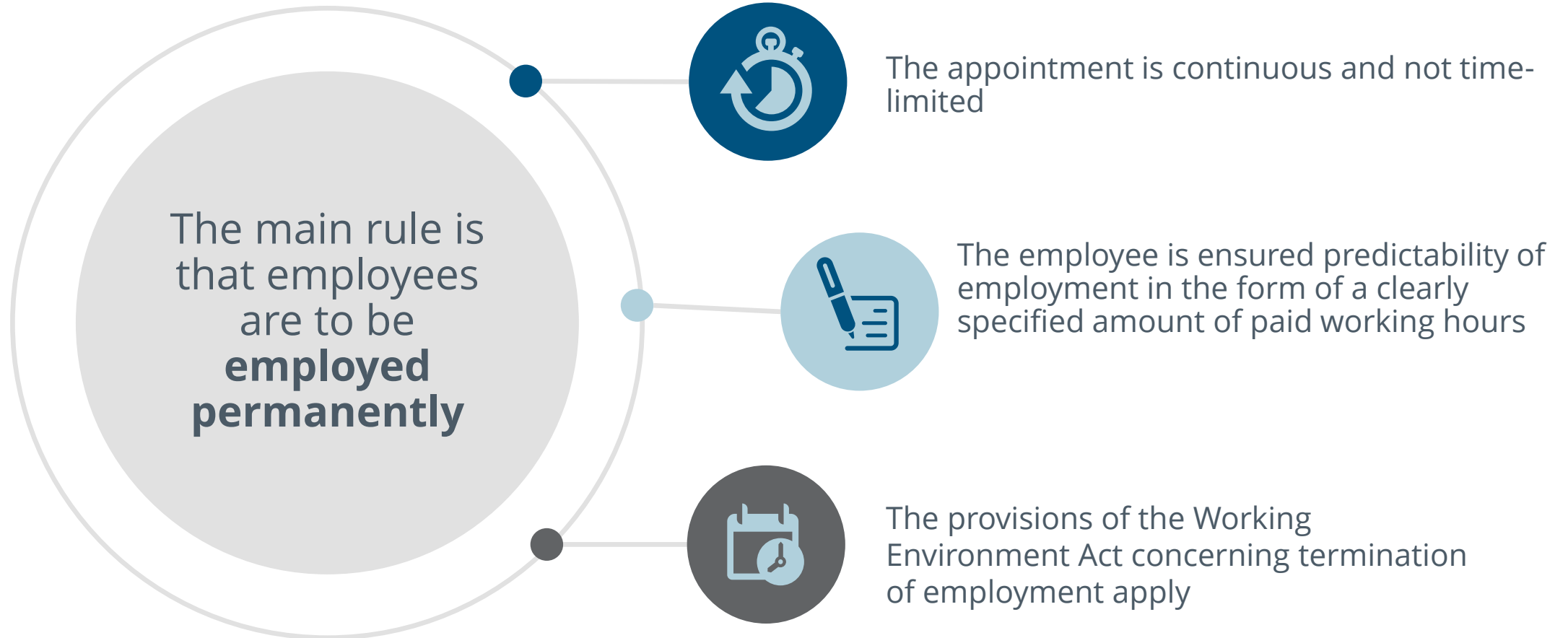
Recruitment and employment

- The employer's freedom to choose whether to recruit
- Bound by anti-discrimination rules when recruiting employees
- Use of employment contracts, cf. WEA section 14-5 and 14-6
 - Constitutes what is agreed upon between the parties
 - Individual rights should be included. Individual rights in employment contracts can limit the employer's managerial prerogative
- Probation period
- The managerial prerogative – the employer's 'right to manage'



Forms of employment in Norway

Permanent vs. temporary employment

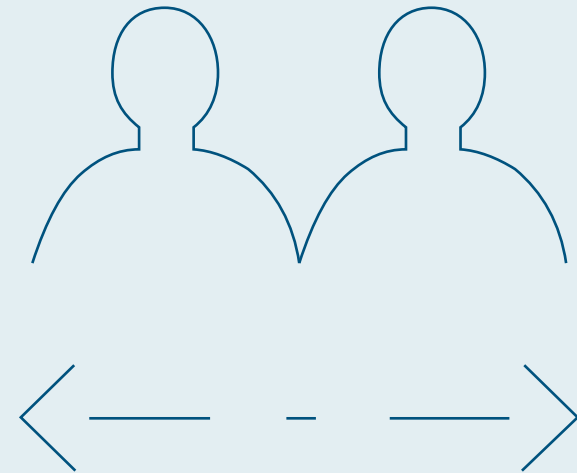


Temporary employment



Hiring-in of labour

- Hiring of employees from **temporary work agencies**
- Hiring of employees from **other companies** (e.g. production companies)
- Delivery of services vs. hiring-in of labour
 - Which party **manage and controls** the work?
 - Which party has the **responsibility** for the result?



Hiring of employees from temporary work agencies

PERMITTED TO THE SAME
EXTENT AS TEMPORARY
EMPLOYMENT

- temporary nature
- temporary replacement

REGISTERING
REQUIREMENTS

NON-
DISCRIMINATION



When employed – the managerial prerogative

The managerial prerogative | 1



The employer's need for **flexibility**

- "who shall do what, when and where"



The relationship to the employer's duty to inform and discuss





The managerial prerogative | 2

Limited by

- Individual employment contract
- Collective bargaining agreement
- Law

Only changes **within the position**

- Maintain the essential character of the position

Comparative assessment

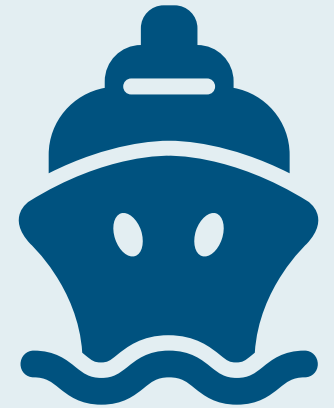
The managerial prerogative | 3



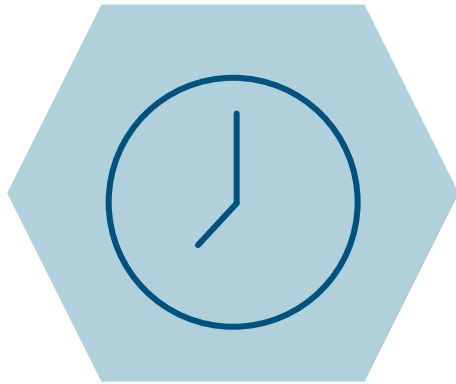
Change of work tasks

Rt-
2000-
1602
(Nøkk)

- Two machinists who worked at the fireboat for Stavanger municipality was after a while integrated in Stavanger's main fire brigade
- After the reorganisation, the machinists had to work at the ordinary emergency response in Stavanger, in addition to performing their services related to the operation of the fireboat
- The Supreme Court accepted the reorganisation
- Illustrating the employment's **dynamic character**: Social development may change the character of the employment



Change of working time



The employer may, as a starting point, determine the working time of the employees.



Working hours specified in the employment contract, cf. Rt-2009-1465 (Nurses)

Compensation and benefits

Wage payments and holidays

- Minimum wage
- Wage payments
- Wages and payment during sick leave
- Wages and payment during parental leave
- Bonus and bonus systems
- Holiday pay



Working hours and overtime payment

- Ordinary working hours shall not exceed 40 hours per week including breaks
- Work exceeding ordinary working hours is regarded as overtime
- Overtime payment of at least 40 per cent
- Time off in lieu of unpaid overtime



Termination

Termination of employment

**Both material
(cause) and
procedural
requirements must
be fulfilled when
terminating an
employee**

**The employee
enjoys several
rights both during
and after the
termination**



Agreed termination

1

Severance pay/termination packages

2

Waiver of rights for chief executive



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Thank you
for your
attention!



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